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C O N F I D E N T I A L SECTION 01 OF 02 LAGOS 001862

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LONDON FOR GURNEY, PARIS FOR NEARY

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TAGS: <u>PREL PGOV KDEM ELAB PINR NI</u>

SUBJECT: SOUTHERN SNAPSHOTS - WEEK OF SEPTEMBER 1, 2003

REF: LAGOS 1823 AND PREVIOUS

Classified By: CONSUL GENERAL ROBYN HINSON-JONES FOR REASONS 1.5 (B) AN

D (D).

Anambra: Impeachment Panel ignores Court injunction

- 11. (U) The Impeachment Panel set up by the Anambra State government to investigate Deputy Governor Okey Udeh's role in the July 10 failed attempt to forcefully remove Governor Chris Ngige from office has ignored an order of the federal High Court in Abuja restraining it from further consideration of the Udeh case. Presiding Judge of the High Court Wilson Egbo-Egbo ruled on August 26 that all proceedings and actions in connection with the impeachment proceeding must be stayed indefinitely. On August 28, two days after the High Court order, the Panel met then announced on August 29 that it would ignore the Abuja Court's ruling because that court lacked jurisdiction to rule on matters concerning impeachment proceedings. Udeh has filed a contempt of court charge against the Panel and his lawyer has, in addition, petitioned the Nigerian Bar Association to intervene based on what he terms the Panel's "abuse of profession and due administration of justice." No date has yet been set for a hearing on the charges of contempt.
- 12. (C) Comment. The judicial wrangling that has surrounded this crisis from its beginning indicates that a resolution to the crisis in Anambra State that will be acceptable to all parties will be hard to come by. The Obasanjo administration, after initial neutral statements, now has gone silent and appears willing to remain neutral while the crisis lasts. Defying a court injunction as the Impeachment Panel has done seems a sure indication that Anambra State wants to test the strength of Nigeria's fledgling democracy.

Abia: "Action Governor" Orji Kalu addresses Nigerian group in Houston

- 13. (U) Abia State Governor Orji Kalu, in a speech to the Abia State National Association meeting in Houston, told the audience how he thought some of the problems in the State could be addressed. According to Kalu, the State is in a financial bind because the Ministry of Finance and its Debt Management Office have taken almost USD 90 million from Abia's 2003 federal allocation to service debt of over USD 600 million that the GON says is Abia's part of the national debt. The State has protested the accuracy of both amounts, and Kalu blames the huge amounts going to debt service for Abia's inability to provide its citizens with their share of the "dividends of democracy" such as regular, on time payment of worker salaries, and provision of usual government services such as infrastructure repairs. The Governor touted Abia's "numerous economic potentials and rich local entrepreneurships" as great opportunities, and suggested this area should be explored by foreign investors, especially American private businesses. He went on to say that the US and other advanced countries should assist Nigeria with investment and technical support to stabilize and grow its economy. He concluded, saying, "Whatever happens to Nigeria will have adverse effects on democracy in Africa, and, indeed, in the whole world. The international community, particularly America, has a moral duty to work to sustain democracy in Nigeria."
- 14. (C) Comment. Orji Kalu is one of the Peoples Democratic Party's (PDP) stars in the southeast. He has the personal support of President Olusegun Obsanjo who was the first to dub Kalu the "Action Governor" because he was so quick to initiate major growth and re-building programs for Abia state

after his election in 1999. In 2002 Kalu was embroiled in a bitter and protracted fight with his Deputy Governor, Enyinnaya Abaribe, that saw Abaribe and his supporters in the State Assembly barricaded in the House of Assembly and without pay for several months. When Abaribe decided to challenge his boss and also run for Governor, Kalu appointed another Deputy and easily won re-election. On a visit to Abia State, PolOffs were impressed with the condition of the infrastructure and government facilities in and around the State capital of Umuahia. Kalu was a successful businessman before entering politics. There have already been calls by several organizations in Abia for him to run for the Presidency in 2007. It is too early to tell whether Kalu is, himself, "testing the waters" for a run at the Presidency or whether these are merely attempts by admiring supporters to put him forward as a "favorite son" candidate. End comment.

Another nationwide strike is threatened

- 15. (U) Renewed talks between the GON and the Nigerian Labor Congress (NLC) on the 12.5 per cent pay raise for public sector workers ended in a deadlock this week. The NLC has threatened to commence a nationwide strike action on October 1 if the pay raise isue is not resolved by that date. Central to thenegotiation between the GON and labor is a goverment offer of between four and six per cent as aganst the 12.5 pe cent earlier promised by Presidnt Obasanjo. The GON negotiating team, led by Secetary to the Government of the Federation of Nigria, Ufot Ekaete, said that the nation's economycannot withstand paying the promised 12.5 percent. Ekaete said that money even to pay the four per cent still on the table, would have to be part of a supplementary budget now in preparation and soon to be sent to the National Assembly.
- 16. (C) NLC Assistant General Secretary Denja Yakub told PolSpec that the NLC will not settle for anything less than the 12.5 per cent promised by Obasanjo. He said the Congress is prepared to commence an indefinite industrial action to force the GON to honor its promises. He said, "They can not continue to take us for a ride. We are prepared to do anything to protect the rights of Nigerian workers."
- 17. (C) Comment. The NLC now appears to be fighting many battles at the same time. It has only recently warned that it will declare a nationwide strike action should the GON further increase the price of petroleum products. The Congress has also protested an alleged plan by the Nigeria National Petroleum Corporation (NNPC) to lay off approximately 2,000 workers. It is not clear presently what the GON's strategy will be to stave off another nationwide strike less than two months after a week-long NLC strike to protest a fuel price hike nearly shut down the country. HINSON-JONES